

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 2016 - SB 2078**

March 31, 2009

**SUMMARY OF BILL:** Effective July 1, 2010, requires an individual to register with the Board of Architectural and Engineer Examiners prior to the practice of interior design in spaces exceeding 5,000 sq. ft. Requires the applicant to hold a degree and pass an examination acceptable to the board. Defines specific curricula requirements for applicants. Authorizes, through December 31, 2011, alternate method of registration for individuals holding a National Council for Interior Design Qualification certification. Requires, through December 31, 2013, applicants and registrants with less than 20 years of interior design experience to take six hours of continuing education in identification of structural building system components. Effective January 1, 2014, all applicants must complete specific nationally recognized programs for education in interior design. Requires all individuals who qualify under this registration program to pay the \$400 annual professional privilege tax to the Department of Revenue.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue - \$409,600/FY10-11/General Fund  
\$449,000/FY11-12 and Subsequent  
Years/General Fund  
\$97,500/FY10-11/Board of Architectural  
and Engineering Examiners  
\$19,500/FY11-12/Board of Architectural  
and Engineering Examiners  
\$70,000/Biennially beginning FY12-13/  
Board of Architectural and Engineer  
Examiners**

**Increase State Expenditures - \$33,100/Board of Architectural and  
Engineer Examiners**

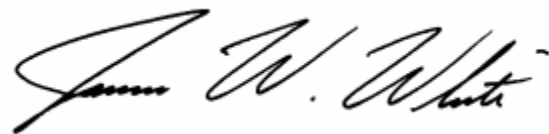
**Assumptions:**

- An estimated 524 registered interior designers would be grandfathered into the program for registration and licensure.
- An estimated 500 additional registrants in the first year with 100 per year thereafter.

- Professional privilege tax of \$400 per registrant.
- Increase in state revenue from professional privilege tax is estimated to equal \$409,600 in FY09-10 (500 new registrants + 524 current designers x \$400).
- Increase in state revenue from professional privilege tax is estimated to equal \$40,000 in FY10-11 and subsequent years (100 new registrants x \$400).
- Application fees of \$55. Registration and biennial renewal fee of \$140.
- Increase in state revenue from application and license fees in FY09-10 is estimated to equal \$97,500 [\$27,500 (\$55 application fee x 500 new applicants) + \$70,000 (\$140 registration fee x 500 registrants)].
- Increase in state revenue from application and license fees in FY10-11 is estimated to equal \$19,500 [\$5,500 (100 x \$55 application fee) + \$14,000 (100 x \$140 registration fee)].
- Increase in state revenue from license renewal fees beginning in FY11-12 and biennially thereafter is estimated to be \$70,000 (\$140 renewal fee x 500 licensees).
- The Board of Architectural and Engineering Examiners currently has a vacant position that will be filled to administer this program. The recurring increase in state expenditures for filling this position is estimated to be \$33,061 (\$21,821 salary + \$11,240 benefits).
- Any cost associated with processing complaints related to the additional licensure requirements can be accommodated within existing Board resources.
- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory boards are required to be self-supporting over a two-year period. As of June 30, 2008, the Board had a positive balance of \$451,313.07.

## **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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